

Message Text

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TO AMEMBASSY JAKARTA PRIORITY

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EO. 11652:NA

TAGS: EINV, ID

SUBJECT: WEYERHAEUSER'S LEGAL TROUBLES

1. FORMER AMBASSADOR GALBRAITH, PART-TIME CONSULTANT TO WEYERHAEUSER COMPANY AND ITS INDONESIAN JOINT TIMBER ENTERPRISE ITCI, HAS INFORMED DEPT OF RECENT JUDGMENT AGAINST ITCI IN MAHAKAM RAYA (EAST KALIMANTAN) LAWSUIT.

2. ACCORDING WEYERHAEUSER, INDONESIAN JUDGE ABOUT TWO WEEKS AGO ISSUED JUDGMENT RAISING AMOUNT OF DAMAGES FROM CLAIMED 170 MILLION TO 511 MILLION RUPIAH AND ORDERING IMMEDIATE EXECUTION OF PAYMENT (SELDOM USED PROVISION OF INDONESIAN LAW), REGARDLESS OF APPEAL.

3. ITCI HAS FILED NOTICE OF APPEAL AND IS TRYING TO ACHIEVE STAY OF EXECUTION OF IMMEDIATE PAYMENT OF SOME 1.4 MILLION DOLS WHICH IT FEELS SURE WILL BE UNRECOVERABLE ONCE PAID, REGARDLESS OF OUTCOME OF APPEAL. WEYERHAEUSER SPOKESMEN APPARENTLY FROM COMMENTS OF, AMONG OTHERS, THEIR INDONESIAN PARTNERS, EXPRESS CONVICTION THERE HAS BEEN CONNIVANCE BETWEEN JUDGE AND OTHERS TO DIVIDE UP MONEY FROM JUDGMENT AND THAT JUDGMENT WAS RAISED TO TAKE CARE OF ALL THOSE PARTICIPATING. THEY

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ALSO CLAIM THEY HAVE BEEN TOLD THEY CAN GET STAY OF

EXECUTION OF JUDGMENT FOR TEN THOUSAND DOLS, A SUGGESTION FOR BRIBERY WEYERHAEUSER WILL HAVE NOTHING TO DO WITH.

4. SUGGESTION HAS BEEN MADE (APPARENTLY BY WEYERHAEUSER'S INDONESIAN LAWYERS AND ASSOCIATES) THAT SOMEONE TALK TO ADMIRAL SUDOMO, KOPKAMTIB, ABOUT PECULIARITIES OF THIS CASE, AND TO SUPREME COURT JUSTICE SENOADJIE ABOUT SUPREME COURT'S PREVIOUSLY EXPRESSED OPPOSITION TO USE OF IMMEDIATE PAYMENT PROVISION. (SENOADJIE IS, HOWEVER, CURRENTLY IN U.S. AND CANADA ON STUDY TOUR. GALBRAITH, IN ANY EVENT, DOUBTS EFFICACY OF ASKING SENOADJIE TO DO ANYTHING.)

5. UNLESS STAY OF EXECUTION OF IMMEDIATE PAYMENT ACHIEVED IN NEXT FEW DAYS, ACCORDING WEYERHAEUSER SPOKESMEN HERE, THEY WILL HAVE TO PAY 1.4 MILLION DOLS.

6. DEPT REQUESTS EMBASSY'S COMMENTS CONCERNING ANY PROTECTIVE ACTIONS THAT MIGHT BE UNDERWAY AND SUGGESTIONS FOR ASSISTING WEYERHAEUSER ACHIEVE STAY OF EXECUTION. KISSINGER

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